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ANNUAL REPORT OF THE ADMINISTRATION AND RELATED MATTERS

The role of UNDP in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s

Report of the Administrator

I. PURPOSE

1. In response to Governing Council decision 93/17 of 18 June 1993, the present report provides information on the role of UNDP in the development of Africa, and its activities in support of the United Nations New Agenda for the Development of Africa in the 1990s (NADAF) in particular. The report highlights two special UNDP activities in support of NADAF, the National Long-Term Perspective Studies (NLTPS) and the African Capacity-Building Foundation (ACBF), and outlines other UNDP activities in support of sustainable human development in the Africa region with respect to political and economic reforms, humanitarian assistance, private sector development and coordination, the environment, resources mobilization, human resources development and programme management.

II. NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990S

2. The recent economic history of Africa shows that while there have been periods of rapid economic growth, improvement in basic infrastructure and indicators of human development (health, education, life expectancy, nutrition), by and large have not been sustained. Today, of the 42 least developed countries (LDCs) 32 are in Africa and 18 of the 20 countries with the lowest human development indices (HDI) in 1993 were in Africa. The new Agenda for the Development of Africa in the 1990s was adopted by the General Assembly in its resolution 46/151 of 18 December 1991 to rally international cooperation in support of Africa's economic recovery and development.

3. During 1993, the UNDP contribution to NADAF included active support to the Secretary-General's Group of High-Level Personalities on African Development. A UNDP project: (a) provides follow-up and monitoring of networks and strengthening mechanisms for strategic-policy dialogue on Africa through the Economic Commission for Africa (ECA); (b) reinforces the capacity of the Special Coordinator of Assistance to Africa and the LDCs, in New York; and (c) supports "Africa Recovery" magazine to enable a wider coverage and dissemination of information regarding African development. UNDP supported the organization of the Tokyo International Conference on African Development, 5-6 October 1993, and is co-sponsoring follow-up workshops with the Governments of Japan and Indonesia. UNDP continues to support the establishment of the African Economic Community and the strengthening of selected subregional bodies and programmes.

4. The National Long-Term Perspective Studies Programme. The NLTPS, which aims at encouraging African countries to define broad national goals based on consensus to guide their long-term development over a 25-year horizon, became fully operational in 1993 with programmes under way in Cape Verde, Côte d'Ivoire, Guinea-Bissau, Mauritania, Mauritius, Senegal, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe. The mid-term review is being made available to the Executive Board as a conference room paper.

5. The African Capacity-Building Foundation. UNDP has given support to ACBF, which manages the $100 million fund of donors. It aims at strengthening regional and national capacities to formulate and manage national economic policies and programmes and to support the internalization of long-term development planning. As of the end of 1993, ACBF was supporting key training institutions in Benin, Guinea, Nigeria and Zimbabwe with operational work under way in other countries. The ACBF is undergoing a mid-term review in the first half of 1994 and the report will be made available to the Executive Board in due course.

III. TOWARDS SUSTAINABLE HUMAN DEVELOPMENT IN AFRICA

6. Areas requiring bold actions to achieve sustainable human development in Africa include changes in the formulation of a viable socio-political framework; more effort at enhanced economic development within the context of redressing the deteriorating environment in the region; developing human resources and institutional capacities; and more effective mobilization and utilization of domestic and external resources in support of African development.

Political framework for sustainable development

7. UNDP is supporting 24 countries in political transitions in Africa. The year 1993 revealed both prospects and weaknesses in current measures to achieve political transformation. Those experiences will enable UNDP to redefine and refine existing methodologies. In Benin, Central African Republic, Ghana, Niger and Senegal, multi-party pluralism appears to have gained a sound footing. Eritrea became independent and Ethiopia prepares for elections under a system of unprecedented decentralization. Other countries, including Central African Republic, Lesotho, Niger, Seychelles and Swaziland held elections; a successful referendum in Malawi resulted in a national consensus to adopt multi-party

democracy; South Africa has carried out full-fledged democratic elections; Côte d'Ivoire has achieved a peaceful constitutional transition.

8. These positive developments notwithstanding, several African countries continue to be plagued by conflicts and internal disturbances, resulting in emergencies requiring humanitarian assistance. In countries such as Burundi, Lesotho and Nigeria the democratization process has encountered setbacks. Armed conflicts rage on in Angola and Sudan. Somalia is yet to have a national government. The economies of the Congo, Liberia, Togo and Zaire were virtually paralysed by extended and intermittent periods of unrest. A governance programme that is being elaborated aims at supporting sustainable political systems and better governance in Africa and will provide the basis of continued UNDP support to all these countries.

Humanitarian assistance

9. The leading involvement of the United Nations system in humanitarian assistance has increased the role of UNDP in emergencies. While addressing humanitarian needs during periods of emergency, UNDP will continue to give priority attention to development activities in order to ensure that long-term development is not undermined during emergency situations. In 1993, UNDP supported or led needs assessment missions to several countries and participated in donor appeals led by the Department of Humanitarian Assistance (DHA) for Angola (US$ 226 million), Eritrea ($60 million), Liberia ($162 million), Mozambique ($609.7 million), Rwanda ($30 million) and Zaire ($84 million). For the first time, DHA also agreed to co-sponsor with UNDP a round-table conference on a humanitarian programme for Rwanda. Through Special Programme Resources (SPR), quick responses to emergencies have been facilitated through Resident Coordinators in Kenya, Liberia, Sierra Leone and Zaire. The plight of women and children in emergencies is receiving special attention. An inter-bureaux task force is working on an integrated area-based development programme targeted at the Horn of Africa.

Economic reform

10. A strong turn-around of African economies is needed to ensure sustainable development in the region. In 1993, African gross domestic product (GDP) is estimated to have grown by not more than 1.4 per cent, a figure which, while double the rate for 1992, still fell far short of the average population growth rate of 3.1 per cent and the target GNP growth rate of 6 per cent set under NADAF. Most of the 34 countries undertaking economic reforms in Africa faced implementation difficulties ranging from weaknesses in commitment and capacity to problems of simultaneous implementation of economic and political reforms. Notably, Botswana, Ghana, Mauritius and Uganda were among the few countries in 1993, a global recession year, to have achieved an average growth rate in excess of 5 per cent. The challenge for these countries is to sustain their economic turn-around to achieve sustainable human development. A 50 per cent devaluation of the CFA franc on 11 January 1994 is expected to go a long way to correct the macro-economic imbalances in the affected countries. The social impact of such a currency depreciation in so many countries at the same time is a challenge that must be addressed by the countries with their multilateral and bilateral development partners. UNDP will also be assisting and supporting these efforts.

Private sector development

11. The promotion of the private sector to increase its productivity, savings and investments is a key element for socio-economic growth. Yet in most African countries, even where economic reforms have been under way for a decade, the desired response from the private sectors has not been forthcoming. UNDP will be exploring new measures and mechanisms to build a stronger sense of partnership between the private sector and government in Africa.

12. Some private-sector initiatives have been successful, however. By the end of 1993, the African Project-Development Facility (APDF), co-sponsored by UNDP, the African Development Bank (AfDB), the World Bank, and bilateral donors, had completed 130 projects in 25 countries. The African Management Services Company (AMSCO), which supports management strengthening and training, restructured its programmes and got off to a good start. In 1993, UNDP undertook support to the Caisse française de développement in setting up an investment guarantee fund for West Africa. UNDP also financed through AfDB a feasibility study for the establishment of an African finance corporation and expects to launch in 1994 a scheme to promote small-scale enterprises during the remainder of the fifth cycle.

Aid coordination

13. In 1993, a round-table meeting, followed by sectoral consultations, was held for Burkina Faso. For the region as a whole, 13 sectoral consultations were held for countries that had their round-table meetings in 1992. By the end of 1993, 34 countries had commenced the national technical cooperation assessment and programmes (NATCAPs) exercise since its introduction in 1986. NATCAPs have reached different stages but most have finished the first, diagnostic stage and have prepared national policy frameworks. Six countries (Burundi, Gambia, Guinea, Guinea-Bissau, Mozambique and Swaziland) have completed the second and final phase of the exercise and have prepared technical cooperation programmes. Following this model, a number of countries in Europe and Latin America have also started the process. The challenge is to move more rapidly to phase II in most of the countries that may require review and simplification of the process and its implementation.

Human resources development

14. Poverty alleviation is the main focus of three quarters of UNDP programmes in Africa. In 1993, countries such as Botswana, Cameroon, Gambia, Guinea, Ethiopia, Madagascar, Malawi and Namibia took positive steps to operationalize the concept of human development. A regional programme has been approved to develop modalities, networking and institutional capacity-building to further UNDP gender programmes in Africa. Sustainable human development in Africa, however, will require that greater effort be directed at population management, education for all, especially that of females, and at meeting the basic health needs of the people, especially the threat of HIV/AIDS. UNDP is financing over 30 projects addressing the development implications of HIV/AIDS.

Environment

15. The environmental situation facing Africa embodies and reflects the various dimensions of development challenges of Africa - population pressures, poverty, low level of technology, etc. The solution to the environmental problems of the continent therefore requires national and regional programmes that seek to address the multifaceted nature of the problem which UNDP is addressing through: the United Nations Sudano-Sahelian Office (UNSO) in the case of desertification; the Africa 2000 Network, with regard to grass-roots responses; the Global Environmental Facility (GEF) with $54.7 million of programmes/projects in Africa; Capacity 21; the GEF NGO Small Grants Programme; and national indicative planning figures (IPF)-supported programmes. UNDP is a major partner in the search for sustainable solutions for Africa's environment within the framework of national environmental action plans.

Resources Mobilization and Management for Development

16. A major constraint on African development is the declining levels of development resources available to the region. The savings rate in the region, on average 6 per cent, is among the lowest in any region of the world while external assistance shows a declining trend. Net Official Development Aid (ODA) to Africa, which reached a peak of $25.7 billion in 1990, fell to $25.1 billion in 1991 and $24.8 billion in 1992. Foreign direct-investment flows to non-oil exporting African countries have averaged under $1 billion per annum and the stock of foreign investment declined from $23.3 billion in 1980 to $19.4 billion in 1990. Africa's total external debt, estimated at $300 billion in 1993 presents a debt-service ratio averaging a third of Africa's exports. The evidence points to possible further marginalization of Africa unless resource flows are enhanced greatly and a strategy of debt forgiveness and reduction is effected on a greater scale.

IV. PROGRAMME MANAGEMENT

17. Greater concentration has come about through greater thematic focus and the adoption of the programme approach, resulting in a 30 per cent to 50 per cent reduction in the number of projects. Continuous efforts were made to ensure that non-operational projects were closed as quickly as possible. Nearly 500 projects, from a total of 2,800 at the beginning of the year, are expected to be closed by the end of the financial year 1993. Although the number of projects has been reduced, the volume of resources executed by national authorities under the national execution modality is growing steadily in the Africa region. At the end of 1993, the records showed that over $50 million project funds were approved under national execution compared to $32 million in 1992.

V. EXECUTIVE BOARD ACTION

18. The Executive Board may wish to take note of the present report and determine the frequency of reporting on the New Agenda for the Development of Africa and/or UNDP programmes in Africa generally.